



City of Santa Barbara
Airport Department

DATE: September 16, 2009
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: General Aviation Landing Fees

RECOMMENDATION:

That Commission approve and authorize the Airport Director to impose a landing fee for all aircraft used for commercial activity and operators of non-based aircraft weighing over 10,000 pounds of gross landed weight, to assist in recovery of expenses related to the operation and maintenance of the airfield.

DISCUSSION:

Purpose and Background

The purpose of a general aviation landing fee is to establish an equitable system to recover Santa Barbara Airport's airfield costs. Approximately 30% or \$3.5 million of the Airport Department's Operational budget is allocated to the airfield. Revenues from the use of the airfield are received from commercial airlines landing fees of \$1.1 million and fuel flowage fees from general aviation and other users totaling \$130,000 annually. The balance of airfield expenses, \$2,270,000, is covered by commercial industrial revenues.

The Airport's Minimum Standards for Aeronautical Activity and the City of Santa Barbara Municipal Code require that any commercial aeronautical activity meet certain standards and must have an agreement with the Airport. This requirement is included in the Fixed Base Operators' leases. Implementing these requirements for based aircraft has been done. However, the non-based commercial and other aircraft operators do not pay fees to compensate for the use of the airfield, notwithstanding the fuel flowage fee of \$0.05 per gallon.

Airport staff contacted other airports within and outside the State of California to gather information on landing fee policies and practices (Attachment 1). Numerous airports charge landing fees to general aviation users. Of the 21 airports contacted, the majority had an exemption for certain aircraft by weight. The weight exemption ranged from none to 35,000 lbs. The average exemption was for aircraft weighing 10,000 lbs. or less.

Proposed Policy Statement

To collect a general aviation landing fee from all aircraft used for commercial activity and operators of non-based aircraft weighing more than 10,000 pounds gross landed weight including non-scheduled Air Taxis, Charters, and Fractional aircraft operations at Santa Barbara Airport. Exemptions from the general aviation landing fee include: all based aircraft not used for commercial purposes, Angel Flights, Life Guard, Medical Emergency, Federal, State, and Military aircraft. This policy shall be effective January 1, 2010.

Implementation Procedures

Informational flyers will be prepared and provided to the Fixed Base Operators for their tenants. The Airport's website will be updated to add the general aviation landing fee. Additionally, the Federal Aviation Administration, Airport/Facility Directory will be updated.

The Airport will enter into a Memorandum of Understanding (MOU) with the Fixed Based Operators and other aviation tenants handling aircraft to collect a landing fee from the non-based general aviation customers and for hire tenants. Under the MOU appropriate landing fees will be collected, a report will be prepared and submitted monthly to the Airport of all fees collected by aircraft, and 90% of the collection shall be remitted to the Airport. The tenant shall retain 10% of collected landing fees for administrative costs. The Landing Fee collection will be included in the Airport's annual audit program.

Landing fees will be adjusted annually on July 1. General aviation landing fees shall be the same fee as charged to commercial aircraft using the Airport. The current rate is \$1.98 per thousand pounds of gross landed weight.

General Aviation Subcommittee

The General Aviation Subcommittee met on March 3, 2009 to discuss the general aviation landing fee concept and requested additional information including:

- a list of airports that charge landing fees,
- who would collect the fees,
- will audits be conducted,
- will certain flights be exempt, and
- the objective for charging a general aviation landing fee needs to be clearly stated.

Airport staff conducted surveys, gathered responsive information, and met again with the General Aviation Subcommittee on August 19, 2009 to present the findings. The General Aviation Subcommittee recommended approval.